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TAGS: [PGOV](#) [PHUM](#) [PREL](#) [ASEC](#) [GV](#)
SUBJECT: CNDD HARASSMENT OF BANKING SECTOR IMPEDES
INVESTMENT

Classified By: ECONOFF BWARNER FOR REASONS 1.4 (B) AND (D)

¶1. (C) Summary: A meeting with Jerome Dagnaud, the Director General of an international commercial bank operating in Guinea, revealed significant harassment of the banking sector by the CNDD during the last two months. Individuals working in the banking sector are frequently summoned by the CNDD to solicit monetary "contributions" for various GOG social projects. Actions taken by the military junta appear to be paralyzing international investment to Guinea. END SUMMARY.

BANK EXECUTIVES SUMMONED TO CAMP ALPHA YAYA

¶2. (C) According to Jerome Dagnaud, the Director General of an international commercial bank, the CNDD convened several meetings in May and June to solicit monetary "support" from banks. The first of these meetings was announced on the radio on a Sunday night at 9pm in an erratic proclamation by CNDD President Moussa Dadis Camara. Although Dadis demanded that all bank executives be at Camp Alpha Yaya by 8am the next day, none of them heard the speech and the meeting was unattended.

¶3. (SBU) A few hours later, each bank executive was visited at his office by gendarmes who demanded their presence at the camp by 8am on Tuesday and threatened their security. Upon arrival at Camp Alpha Yaya on Tuesday, the bankers were placed in a holding facility for petty criminals, where they waited six hours for Dadis.

¶4. (C) Arriving at the meeting with Tiegboro Camara, the Secretary of State for Special Services, Anti-Narcotics, and Organized Banditry, Dadis proceeded to rant at the delegation for their absence the day before. He and Camara continued to berate the bankers for supposedly disrupting the economy and stealing from the Guinean people. Dadis demanded that the banks repay the Guinean people for their supposed wrongdoings by giving donations to the CNDD. The tirade lasted nearly two hours before the bankers were given an opportunity to speak.

¶5. (C) Later, one of the members of the delegation asked that they be notified by letter or phone for the next meeting; Dadis refused and dismissed the group. Mr. Dagnaud and other members of the banking community were summoned to the camp on two subsequent occasions and rebuked for events that took place decades ago. Each time, they waited for hours for Dadis and in a holding room with various criminals. The CNDD continues to summon bank officials to the camp to intimidate the financial sector. Mr. Dagnaud sarcastically noted, "we are not impressed."

¶6. (C) Mr. Dagnaud complained that Dadis's erratic actions

and the CNDD,s infringement on private industry is paralyzing investment activity in Guinea. He also noted that investors fear Guinea,s unstable government whose policy and leadership could change at any moment. Though most companies with investments in Guinea are not fleeing yet, they are halting expansion plans or new investment as a part of a "wait and see" approach to the CNDD.

17. (C) International companies are having a particularly difficult time with the current government, Mr. Dagnaud pointed out, because they cannot just "contribute" to CNDD social programs without consent from their home office. Dadis, demands for infrastructure donations from several economic actors (reftel) have made companies, corporate headquarters very wary of the investment climate in Guinea.

COMMENT

18. (SBU) The investment climate in Guinea has become increasingly unstable under the CNDD. Investors are worried that contractual arrangements can be easily dissolved or completely ignored. Serious commercial inquiries at banks have nearly disappeared, creating a revenue shortfall for many of Guinea,s lending institutions. Such revenue reduction for banks could severely limit the already meager borrowing ability of Guineans, and further erode the economic stability of the country. END COMMENT.
RASPOLIC